April 4, 1971

Dear Fellow Ivy Members:

Our Directorate has been reviewing our relations with the Ivy Network, and we have compiled a series of suggestions for reforms in the network which would seem to make possible greater benefits for all of us. I discussed these with George Schweitzer on the 26th of March, and Sandy Maier has indicated he will be getting together with us to discuss them also. I would like to ask you to take a few minutes to look at our suggestions, and let us know how you react to them.

1. Amend the service agreements to include the following:

"All orders solicited by the Network must be accepted by the station unless they conflict with station policies as previously communicated to the Network in writing"

"If any station affadavits are not received within 60 days of the due date, the Network shall close its books on that account, and shall have no further liability towards it."

These will hopefully resolve the problems which have arisen from a station's refusing Ivy orders and then reselling them directly. Also, a station was paid for an order that was not even run, with the 25% penalty for late affadavits deducted. Obviously, no payment should be made unless the proper affadavit is submitted.

2. A major revision of the commission structure of the Network, including the following:

(a) Reduce the Network's share of gross revenue to 20%.

(b) Provide for assesments as percentages of station payments in the event of a deficit.

(c) Set commissions to salesmen for renewals at 2%.

(d) Set commissions to salesmen for new accounts at 5%.

(e) Eliminate commissions on any sales made by representatives (i.e. Campus Media).

(f) Provide for the division of any retained liability accrued under this plan among the Network management.

Since current operations cost 23%, and 8.5 % was paid on all renewals (which were the only source of revenue not procured by representatives), it seems plausible that 20% provides a reasonable margin. Further, regular broadcast representatives are able to operate profitably on a 15% commission.

3. Adopt, for all Network orders, the Standard Broadcast Calendar, a copy of which is enclosed. Change the due date for affadavits to the second Tuesday of the next month. (affadavits to be postmarked by that date).

We believe these modifications to be in the best interests of all Ivy Network Stations. I hope that you will let us know your feelings about them, and hopefully we can discuss them and reach a conclusion at the spring meeting at New Haven.

For the Directorate,

Charles Smith
Sales Director

Fri eve - Sat -